

BA-PHALABORWA MUNICIPALITY



Oversight Report on the 2015/16 Annual Report

30 MARCH 2017

OVERSIGHT REPORT REGARDING 2015/16 ANNUAL REPORT

OF BA-PHALABORWA MUNICIPALITY

| | |
|---|------------|
| CONTENTS..... | 1 |
| 1. INTRODUCTION..... | 2 |
| 1.1 ANNUAL REPORT..... | 2 |
| 2. LEGISLATIVE MANDATE..... | 2 |
| 3. FINDINGS..... | 2-3 |
| 4. COMMENTS FROM THE PUBLIC..... | 3 |
| 5. RECOMMENDATIONS..... | 3 |
| 6. ATTACHMENTS..... | 3-4 |

1. Introduction

In terms of section 129 of the MFMA and section 21 of the system Act, municipalities must prepare an annual report for each financial year. The purpose of the Annual Report is to :

- (i) Provide a record of the activities of the municipality.
- (ii) Provide a report on performance in service delivery and against the budget.
- (iii) Provide information that supports the revenue and expenditure decisions made.
- (iv) Promote accountability to the local community for the decision made.

1.1 Annual Report

The 2015/16 Annual Report was tabled and noted in council of the 30 January 2017, reporting on the municipality's performance for the period of 1 July 2015 to June 2016. The adoption of the Oversight report is the final major step in the annual reporting process of a municipality. The oversight must be compiled by the Municipal Public Accounts Committee (MPAC). Section 129 of the MFMA requires the council to consider the annual report of the municipality and adopt an Oversight Report containing the Council's comments.

2. Legislative mandate for the Oversight Report

Section 129(1) of the MFMA (Act 56 of 2003) states that Council of the Municipality must consider the Annual Report of the Municipality and by no later than two months from the date on which the Annual Report was tabled in the Council, adopt an Oversight report, which include a statement whether the Council has:

- 2.1.1 Approved the Annual Report with or without reservations;
- 2.1.2 Rejected the Annual Report;
- 2.1.3 Has referred the Annual Report back for revision of those components that can be resolved.

3. Findings

3.1 That there are projects reflecting as complete on the annual report but on site

They are incomplete.

3.2 That record keeping is a very serious problem in the institution, no adequate controls are in place

3.3 That AG action plan not adhered to.

3.4 That the asset register of the Municipality is not up to date.

3.5 That service providers doing consultancy work are not reliable in giving accurate figures.

3.6 That the institution does not follow SCM regulation.

3.7 That there is a shortage of stock identified at stores.

3.8 That there is a delay in submitting of reports to MPAC.

3.10 That the AFS quality of the municipality very poor

3.11 That unauthorized expenditure, irregular, fruitless and wasteful expenditure is always
Identified by AG each and every financial year.

4. Comments from the Public

MPAC did not receive any comments from members of the public, the draft annual report was distributed to libraries, traditional offices and also publicized on the website for comments.

5. Recommendations

The Municipal Public Accounts Committee recommends:

5.1 That Council note the Oversight Report for 2015/16 financial year

5.2 That Council approve the Annual Report with reservations

5.3 That detailed report of all projects that will include expenditure report, Service Level Agreement and scope of work be provided to MPAC.

5.4 That there be consequence management to officials who does not do their job.

5.5 That the Accounting officer make sure that AG action plan is adhered to.

5.6 That asset unit must be fully equipped with skilled personnel.

5.7 That the SLA have clause that binds consultant to repay all the money should it be found that information is incorrect or misleading.

5.8 That the Accounting officer be held responsible for any deviation from the SCM policy.

5.9 That Investigation be fast tracked and concluded.

5.10 That permanent referral reports be referred to MPAC immediately after being tabled to council.

5.11 That the AFS be prepared in-house as we have qualified officials who can do the job.

5.12 That money recovered from those responsible officials who failed to comply with section 171 and 172 of the MFMA.

6. Attachments

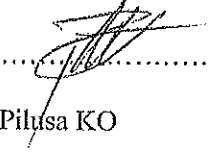
Attached are process followed when compiling the oversight report

6.1 Schedule for considering 2015/16 Annual Report

6.2 Questions and responses

6.3 Working template for considering the Annual Report.

6.4 MPAC attendance register and minutes.


.....
Pilusa KO

30/3/2017
.....
Date

MPAC Chairperson